

CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED
2003

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6 May 1954

MEMORANDUM FOR: DEPUTY DIRECTOR (Plans)

SUBJECT : Approach to Colonel Carlos Enrique DIAZ

1. It is proposed that Colonel Carlos Enrique DIAZ be approached for defection, utilizing initially the services of [] and followed up by [] a cleared American agent. DIAZ is presently on a tour of South America and could be intercepted between 10 - 13 May in Caracas, Venezuela, where [] would have both easier access than in Guatemala and the advantage of being on neutral ground.

2. [] would contact DIAZ first and determine his present attitude toward the situation in Guatemala and generally sound him out as a potential defector. If the results of the initial approach show that DIAZ appears to be receptive to an approach, the actual defection offer will be made by [] established a close and friendly association with DIAZ when [] in Guatemala [] and states that DIAZ talked with him on a basis which went far beyond [] formalities. [] is a [] and would be authenticated to DIAZ through [] A senior staff officer from WMD would be sent to Caracas to direct and coordinate the activities of [] []

3. The initial talks with DIAZ would emphasize [] personal concern with the present Guatemalan situation [] []

When [] makes the pitch to DIAZ, it will be on the basis that he is in touch with a group of serious businessmen who are aware of the dangerous situation in Guatemala and who would be in a position to assure DIAZ that, should he act decisively to change the present Guatemalan problem, \$200,000 would be deposited anonymously to an account in his name in a Swiss bank and could not be traced.

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4. The best approach to DIAZ is believed to be one which deals with his often-expressed concern about the fact that the Guatemalan army is not getting the U.S. equipment which DIAZ feels is necessary for a well equipped modern army. DIAZ is genuinely interested in promoting the professional competence of the army, and has also expressed the need of the Guatemalan army for arms with which to counter-balance the communists who have lately been obtaining arms for themselves. Although DIAZ has expressed to [] his personal concern about Communist infiltration and influence in Guatemala, he has also continually emphasized the "apolitical" nature of the Guatemalan army and has so far demonstrated continued loyalty to President ARBENZ.

5. The basic problem in defecting DIAZ is to show him that if he means what he says about disliking Communism, he must act to change this situation even if it involves a revolt by the army and perhaps the downfall of his close friend Jacobo ARBENZ. His reason for taking this action, which would appear to be his own, must be based on a sense of duty toward both the army and the country and the knowledge that a non-Communist Guatemala would then be in a strong position to ask for and receive the much-needed U.S. arms which its army presently lacks. This whole program will be discussed by [] as a Guatemalan problem which the Guatemalans must solve and stress to DIAZ the importance of the need for positive action by DIAZ before the Communists gain complete control, not only in the executive branch of the Government, but also in the army itself.

6. The possibility exists that DIAZ may interpret this discussion as one which is directed to ARBENZ as much as himself, and [] will discuss the Guatemalan situation and the need for a solution in terms which will allow DIAZ to make such an interpretation if he wants to. However, it should be realized that there is no assurance DIAZ would inform [] of the fact that he intended to talk this over with ARBENZ. Thus, the chance exists that a discussion with DIAZ will be interpreted by ARBENZ, if relayed by DIAZ, as applicable in reality to himself as well. However, [] has pointed out that the possibility exists that DIAZ would have some difficulty in talking to ARBENZ privately since the Communists are extremely wary of letting ARBENZ speak privately to anybody for fear of losing their close control over him (ARBENZ). Another reason why DIAZ may not mention this discussion with [] to ARBENZ is that DIAZ does appear to have presidential ambitions and may feel that his action at this time would not only solve the problem of putting Guatemala in a position to receive the enthusiastic cooperation of the U.S. army in furnishing arms, but would also assure his becoming the next president. This presidential ambition could be played upon from the point of view that by

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1957, ARBENZ may be so completely under the control of the Communists, whether willingly or not, that they would be the ones to choose ARBENZ' successor, at which juncture Communist control of the army would be but a matter of time.

7. The cover to explain [] presence in the area would be that he is on an [] taking him to the Antilles and the northern part of South America after completion of a survey of Central America last month. [] requests that a [] aircraft be put at his disposal to lend authenticity to the survey nature of his work since his trip to Central America was made by [] flights which partially hampered his freedom of movement. At the same time, such a [] aircraft could be a possible excuse for offering transportation to DIAZ if the opportunity arises. In granting the use of a [] aircraft, it would be important to have [] assigned as [] to allow him the authority to alter the route or the itinerary as required operationally.

8. [] estimates that the best place to intercept DIAZ would be in Caracas where DIAZ is scheduled to arrive on 10 May. If for some reason this does not prove feasible, [] has as a second choice, Panama, where DIAZ is scheduled to arrive on 15 May prior to leaving for Guatemala the next day. Although DIAZ will go to Barranquilla on the 13th enroute from Caracas to Panama, this appears too small a town to conduct such a meeting. Due to the short visit planned in Panama, [] has suggested that he contact President REMON, an old friend, and request him to give a party for [] and DIAZ so that [] will be assured of getting together with DIAZ and have the opportunity to speak to him after the dinner.

9. [] would leave for Panama on or about 7 - 8 May, and arrive in Caracas on or about 9 - 10 May. He would rather arrive in Caracas on the 9th if [] could find out in advance where the DIAZ party had hotel reservations.

J. C. KING
CWH

1 attachment - Biographic Data
re: []

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